

Kevin Faught
Senior Vice President
Public Finance
Stephens Inc.

July 18, 2018

Dr. Doug Brubaker
Superintendent
Fort Smith School District
3205 Jenny Lind
Fort Smith, AR 72702

Re: \$90,000,000 Fort Smith School District No. 100 of Sebastian County, Arkansas
Construction Bonds, Series 2018A

Dear Dr. Brubaker:

On July 17, 2018, the District received qualified bids from five investment firms in connection with the above referenced bond issue. The best bid was received from the firm of Robert W. Baird & Co., Inc. with an interest rate of 3.649302%. A detailed Bid Summary, a chart depicting the recent history of the tax-exempt market, and a Proceeds Sheet are attached for your review in connection with this financing.

Based upon the competitive interest rate received and our assessment of the current interest rate market, we would recommend the Board accept Robert W. Baird & Co., Inc.'s bid and authorize this financing.

I appreciate the opportunity to work on this transaction and our firm's long term relationship with the Fort Smith School District. As we have discussed, I will be unable to attend the Board meeting. Mr. Dennis Hunt will attend the meeting in my absence and will review this information with you and your Board.

Sincerely,



Kevin Faught

Attachments

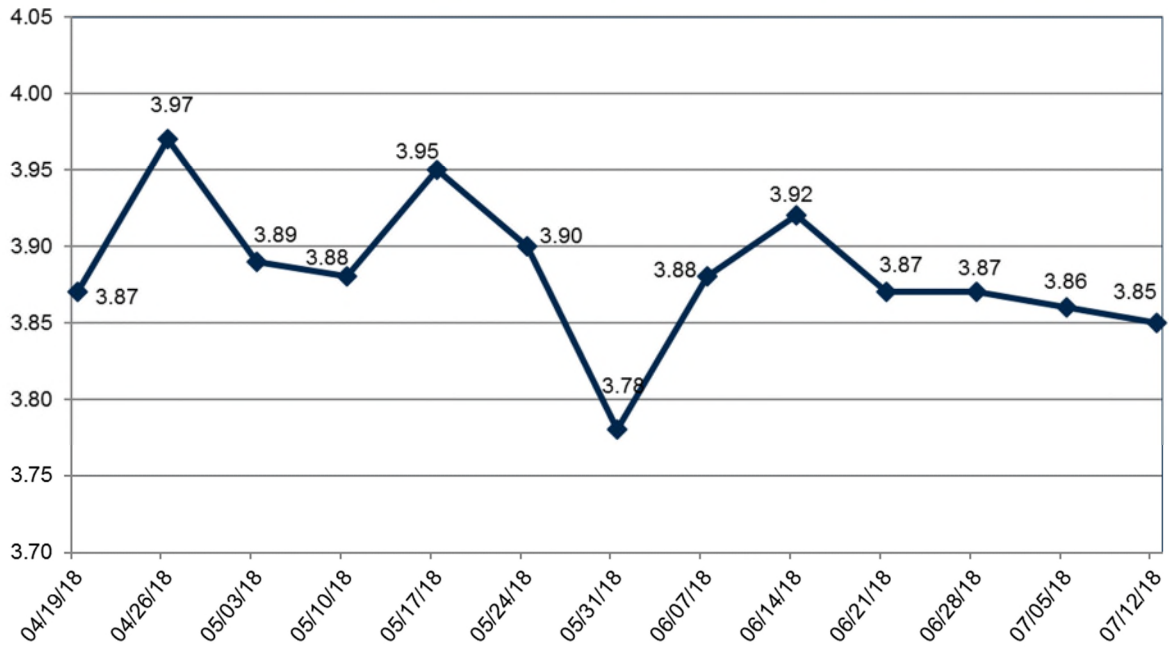


BID RESULTS

| ISSUER | | | |
|---|---------------------------|-----------------------|-------------------|
| Fort Smith School District No. 100 of Sebastian County, Arkansas | | | |
| ISSUE SIZE | ISSUE DESCRIPTION | DATED | MATURITY |
| \$90,000,000 | Construction Bonds | 08/15/2018 | 02/01/2049 |
| SALE DATE | | TIME | |
| July 17, 2018 | | 10:00 a.m. CST | |

| BIDDER | TIC (%) |
|--|----------|
| Robert W. Baird & Co., Inc. | 3.649302 |
| Bank of America Merrill Lynch | 3.681493 |
| Morgan Stanley & Co. LLC | 3.689669 |
| Wells Fargo Bank, National Association | 3.752007 |
| Citigroup Global Markets Inc. | 3.827861 |

General Obligation Bond Index Most Recent Twelve Weeks



| ISSUER | | |
|--|----------------------------------|----------------------|
| Fort Smith School District No. 100 of Sebastian County, Arkansas | | |
| ISSUE SIZE | ISSUE DESCRIPTION | DATED / CLOSING DATE |
| \$90,000,000 | Construction Bonds, Series 2018A | 08/15/2018 |

Proceeds Sheet

Receipt of Funds

| | |
|-------------------|-------------------------|
| \$ 90,000,000.00 | Par amount of the bonds |
| <u>147,713.60</u> | Reoffering premium |
| \$ 90,147,713.60 | Subtotal |

Distribution of Funds

| | |
|-------------------|--|
| \$ 1,363,218.75 | Underwriter's Discount |
| <u>258,706.80</u> | Costs of Issuance (Financial Advisor, Bond Counsel, Rating Agency Fee) |
| \$ 88,525,788.05 | Net Remaining Funds |

The net remaining funds, less the good faith deposit in the amount of \$1,800,000 which has already been remitted to the District, will be wired to a financial institution selected by the District on the date of closing.

The remaining funds, including the good faith deposit, should be invested in Authorized Investments (which consist of U.S. Government Obligations or obligations which are fully guaranteed by the United States of America) or in bank certificates of deposit the principal of and interest on which are either fully insured by the FDIC or collateralized by U.S. Government Obligations.

Fort Smith School District No. 100 of Sebastian County, Arkansas

Construction Bonds

Series 2018

Debt Service Schedule

| Date | Principal | Coupon | Interest | Total P+I | Fiscal Total |
|------------|--------------|--------|--------------|--------------|--------------|
| 08/15/2018 | - | - | - | - | - |
| 02/01/2019 | - | - | 1,420,323.09 | 1,420,323.09 | - |
| 06/30/2019 | - | - | - | - | 1,420,323.09 |
| 08/01/2019 | - | - | 1,540,109.38 | 1,540,109.38 | - |
| 02/01/2020 | 1,840,000.00 | 3.000% | 1,540,109.38 | 3,380,109.38 | - |
| 06/30/2020 | - | - | - | - | 4,920,218.76 |
| 08/01/2020 | - | - | 1,512,509.38 | 1,512,509.38 | - |
| 02/01/2021 | 1,895,000.00 | 3.000% | 1,512,509.38 | 3,407,509.38 | - |
| 06/30/2021 | - | - | - | - | 4,920,018.76 |
| 08/01/2021 | - | - | 1,484,084.38 | 1,484,084.38 | - |
| 02/01/2022 | 1,950,000.00 | 3.000% | 1,484,084.38 | 3,434,084.38 | - |
| 06/30/2022 | - | - | - | - | 4,918,168.76 |
| 08/01/2022 | - | - | 1,454,834.38 | 1,454,834.38 | - |
| 02/01/2023 | 2,010,000.00 | 3.000% | 1,454,834.38 | 3,464,834.38 | - |
| 06/30/2023 | - | - | - | - | 4,919,668.76 |
| 08/01/2023 | - | - | 1,424,684.38 | 1,424,684.38 | - |
| 02/01/2024 | 2,070,000.00 | 3.000% | 1,424,684.38 | 3,494,684.38 | - |
| 06/30/2024 | - | - | - | - | 4,919,368.76 |
| 08/01/2024 | - | - | 1,393,634.38 | 1,393,634.38 | - |
| 02/01/2025 | 2,135,000.00 | 3.000% | 1,393,634.38 | 3,528,634.38 | - |
| 06/30/2025 | - | - | - | - | 4,922,268.76 |
| 08/01/2025 | - | - | 1,361,609.38 | 1,361,609.38 | - |
| 02/01/2026 | 2,195,000.00 | 3.000% | 1,361,609.38 | 3,556,609.38 | - |
| 06/30/2026 | - | - | - | - | 4,918,218.76 |
| 08/01/2026 | - | - | 1,328,684.38 | 1,328,684.38 | - |
| 02/01/2027 | 2,265,000.00 | 3.000% | 1,328,684.38 | 3,593,684.38 | - |
| 06/30/2027 | - | - | - | - | 4,922,368.76 |
| 08/01/2027 | - | - | 1,294,709.38 | 1,294,709.38 | - |
| 02/01/2028 | 2,330,000.00 | 3.000% | 1,294,709.38 | 3,624,709.38 | - |
| 06/30/2028 | - | - | - | - | 4,919,418.76 |
| 08/01/2028 | - | - | 1,259,759.38 | 1,259,759.38 | - |
| 02/01/2029 | 2,400,000.00 | 3.000% | 1,259,759.38 | 3,659,759.38 | - |
| 06/30/2029 | - | - | - | - | 4,919,518.76 |
| 08/01/2029 | - | - | 1,223,759.38 | 1,223,759.38 | - |
| 02/01/2030 | 2,475,000.00 | 3.000% | 1,223,759.38 | 3,698,759.38 | - |
| 06/30/2030 | - | - | - | - | 4,922,518.76 |
| 08/01/2030 | - | - | 1,186,634.38 | 1,186,634.38 | - |
| 02/01/2031 | 2,545,000.00 | 3.000% | 1,186,634.38 | 3,731,634.38 | - |
| 06/30/2031 | - | - | - | - | 4,918,268.76 |
| 08/01/2031 | - | - | 1,148,459.38 | 1,148,459.38 | - |
| 02/01/2032 | 2,625,000.00 | 3.125% | 1,148,459.38 | 3,773,459.38 | - |
| 06/30/2032 | - | - | - | - | 4,921,918.76 |
| 08/01/2032 | - | - | 1,107,443.75 | 1,107,443.75 | - |
| 02/01/2033 | 2,705,000.00 | 3.250% | 1,107,443.75 | 3,812,443.75 | - |
| 06/30/2033 | - | - | - | - | 4,919,887.50 |
| 08/01/2033 | - | - | 1,063,487.50 | 1,063,487.50 | - |
| 02/01/2034 | 2,795,000.00 | 3.250% | 1,063,487.50 | 3,858,487.50 | - |
| 06/30/2034 | - | - | - | - | 4,921,975.00 |
| 08/01/2034 | - | - | 1,018,068.75 | 1,018,068.75 | - |
| 02/01/2035 | 2,885,000.00 | 3.375% | 1,018,068.75 | 3,903,068.75 | - |
| 06/30/2035 | - | - | - | - | 4,921,137.50 |
| 08/01/2035 | - | - | 969,384.38 | 969,384.38 | - |
| 02/01/2036 | 2,980,000.00 | 3.375% | 969,384.38 | 3,949,384.38 | - |
| 06/30/2036 | - | - | - | - | 4,918,768.76 |
| 08/01/2036 | - | - | 919,096.88 | 919,096.88 | - |
| 02/01/2037 | 3,085,000.00 | 3.500% | 919,096.88 | 4,004,096.88 | - |
| 06/30/2037 | - | - | - | - | 4,923,193.76 |
| 08/01/2037 | - | - | 865,109.38 | 865,109.38 | - |

Fort Smith School District No. 100 of Sebastian County, Arkansas

Construction Bonds

Series 2018

Debt Service Schedule

| Date | Principal | Coupon | Interest | Total P+I | Fiscal Total |
|--------------|------------------------|----------|------------------------|-------------------------|--------------|
| 02/01/2038 | 3,190,000.00 | 3.500% | 865,109.38 | 4,055,109.38 | - |
| 06/30/2038 | - | - | - | - | 4,920,218.76 |
| 08/01/2038 | - | - | 809,284.38 | 809,284.38 | - |
| 02/01/2039 | 3,300,000.00 | 3.500% | 809,284.38 | 4,109,284.38 | - |
| 06/30/2039 | - | - | - | - | 4,918,568.76 |
| 08/01/2039 | - | - | 751,534.38 | 751,534.38 | - |
| 02/01/2040 | 3,420,000.00 | 3.500% | 751,534.38 | 4,171,534.38 | - |
| 06/30/2040 | - | - | - | - | 4,923,068.76 |
| 08/01/2040 | - | - | 691,684.38 | 691,684.38 | - |
| 02/01/2041 | 3,535,000.00 | 3.625% | 691,684.38 | 4,226,684.38 | - |
| 06/30/2041 | - | - | - | - | 4,918,368.76 |
| 08/01/2041 | - | - | 627,612.50 | 627,612.50 | - |
| 02/01/2042 | 3,665,000.00 | 3.625% | 627,612.50 | 4,292,612.50 | - |
| 06/30/2042 | - | - | - | - | 4,920,225.00 |
| 08/01/2042 | - | - | 561,184.38 | 561,184.38 | - |
| 02/01/2043 | 3,800,000.00 | 3.625% | 561,184.38 | 4,361,184.38 | - |
| 06/30/2043 | - | - | - | - | 4,922,368.76 |
| 08/01/2043 | - | - | 492,309.38 | 492,309.38 | - |
| 02/01/2044 | 3,935,000.00 | 3.625% | 492,309.38 | 4,427,309.38 | - |
| 06/30/2044 | - | - | - | - | 4,919,618.76 |
| 08/01/2044 | - | - | 420,987.50 | 420,987.50 | - |
| 02/01/2045 | 4,080,000.00 | 3.625% | 420,987.50 | 4,500,987.50 | - |
| 06/30/2045 | - | - | - | - | 4,921,975.00 |
| 08/01/2045 | - | - | 347,037.50 | 347,037.50 | - |
| 02/01/2046 | 4,225,000.00 | 3.750% | 347,037.50 | 4,572,037.50 | - |
| 06/30/2046 | - | - | - | - | 4,919,075.00 |
| 08/01/2046 | - | - | 267,818.75 | 267,818.75 | - |
| 02/01/2047 | 4,385,000.00 | 3.750% | 267,818.75 | 4,652,818.75 | - |
| 06/30/2047 | - | - | - | - | 4,920,637.50 |
| 08/01/2047 | - | - | 185,600.00 | 185,600.00 | - |
| 02/01/2048 | 4,550,000.00 | 4.000% | 185,600.00 | 4,735,600.00 | - |
| 06/30/2048 | - | - | - | - | 4,921,200.00 |
| 08/01/2048 | - | - | 94,600.00 | 94,600.00 | - |
| 02/01/2049 | 4,730,000.00 | 4.000% | 94,600.00 | 4,824,600.00 | - |
| 06/30/2049 | - | - | - | - | 4,919,200.00 |
| Total | \$90,000,000.00 | - | \$59,031,754.55 | \$149,031,754.55 | - |

Yield Statistics

| | |
|-----------------------------------|----------------|
| Bond Year Dollars | \$1,653,525.00 |
| Average Life | 18.373 Years |
| Average Coupon | 3.5700552% |
| Net Interest Cost (NIC) | 3.6435651% |
| True Interest Cost (TIC) | 3.6456790% |
| Bond Yield for Arbitrage Purposes | 3.3994394% |
| All Inclusive Cost (AIC) | 3.6685818% |

IRS Form 8038

| | |
|---------------------------|--------------|
| Net Interest Cost | 3.5665203% |
| Weighted Average Maturity | 18.315 Years |